

Organization of MISO States, Inc.

BYLAWS

ARTICLE I –NAME

The organization shall be known as the Organization of MISO States, Inc. (Organization). The Principal office of the Organization shall be at such location, either within or outside of the state of Indiana, as the Board of Directors shall from time to time establish. The Organization may also maintain such branch offices and places of business as the Board of Directors may deem necessary or of advantage in the conduct of its business.

ARTICLE II – MEMBERSHIP

1. MEMBERSHIP. Membership shall be open to all state and provincial regulatory authorities that
 - (a) regulate the retail electricity or distribution rates of transmission-owning members or transmission-dependent utility members of the Midwest Independent System Operator (MISO), or
 - (b) are the primary regulatory authority responsible for siting electric transmission facilities in states or provinces where there are transmission-owning members of the MISO or independent transmissions companies that own or operate transmission facilities associated with the MISO.
2. ASSOCIATE MEMBERSHIP. Associate membership shall be open to all state and provincial agencies that
 - (a) are involved with energy planning, and or environmental issues that relate to electric transmission, or
 - (b) are involved with consumer advocacy issues that relate to electric transmission, or
 - (c) are approved by the Board of Directors for associate member status.

ARTICLE III – ANNUAL MEETING

The Annual Meeting of the Organization (Annual Meeting) shall be held at such time and place as may be determined by the Executive Committee. Notice of the time, place, and purpose of the meeting, shall be provided by mail or electronic means to each Member and Associate Member of the Organization not less than thirty (30) days prior to the meeting. At the Annual Meeting, all members of member regulatory agencies may have seat and voice. The business of the Annual Meeting will be conducted by vote of the Board of Directors as provided in these bylaws.

ARTICLE IV – BOARD OF DIRECTORS

1. POWERS, RESPONSIBILITIES AND ACCOUNTABILITIES. The corporate business and affairs of the Organization shall be managed by the Board of Directors, except as may be otherwise provided in these bylaws or the Organization's articles of incorporation (Articles of Incorporation).
2. COMPOSITION. Each member regulatory authority, as defined in Article II.1 of these bylaws, may designate one Commissioner to serve on the Board of Directors. In the case of member agencies organized without commissioners, an official of similar level may be designated. When any such person ceases to be the duly authorized representative of that Member, he or she shall be replaced on the Board of Directors by another representative from his or her state or provincial regulatory authority. A member regulatory authority may replace its Director at any time by notifying the Secretary of the Organization.
3. RESPONSIBILITIES. The Board of Directors shall elect the officers of the Organization, select members to serve on the MISO Advisory Committee, appoint the members of the Nominating Committee, and determine the general policies and direction of the Organization. The Board of Directors may amend the Articles of Incorporation and bylaws, take all other action requiring membership vote, and conduct other business as delineated in Article X.
4. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at such time and place as may be determined by the Executive Committee, except that the Board of Directors shall meet no

less than one time each calendar year, in addition to the annual meeting. Notice of the time, place and purpose of the meeting(s) shall be provided by mail or electronic means to each Member and Associate Member of the Organization not less than ten (10) days prior to the meeting.

5. SPECIAL MEETINGS. The president may call a special meeting of the Board of Directors. Notice of the time, place and purpose of the meeting(s) shall be provided by mail or electronic means to each Member and Associate Member of the Organization not less than three (3) days prior to the meeting.

6. QUORUM If a Director from each of a majority of the member state or provincial regulatory authorities is present (either in person or by authorized telephonic or electronic means), a quorum exists for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the members that are present may adjourn the meeting without further notice. The Directors present at a properly called meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. A member regulatory authority may allow a proxy from the same agency to participate as a substitute for its designated director at a meeting of the Board of Directors by notifying the Secretary of the Organization.

7. VOTING PROCEDURES. Each Director present (either in person or by authorized telephonic or electronic means) shall be entitled to one vote. However, if a state or province has more than one regulatory authority that is a Member of the Organization, voting rights shall be divided equally among the Directors from that state or province present and voting (one vote per state). Elections shall be by ballot in contested elections and may be by voice or other means in uncontested elections. A plurality of votes cast shall elect. Changes in the bylaws shall require a vote of two-thirds of the Directors present or participating. All other matters shall be determined by a majority of the Directors present and voting, unless otherwise provided by Indiana law or these bylaws.

8. POSITIONS ON POLICY ISSUES. The Board of Directors will give direction to formation of issue statements, which will then be referred to member state and provincial regulatory authorities. A position approved by a majority of the Board of Directors may be issued as the Organization's position with identification of the participating and non-participating Member authorities. Individual Member authorities retain all rights to object to, support, or otherwise comment on, issues statements of the Organization, including the attachment of a minority report or dissenting opinion, provided it is submitted in a timely manner.. The Board of Directors may authorize intervention in proceedings before federal regulatory agencies and in related judicial proceedings to express the Organization's positions, and may authorize the Executive Committee to retain legal counsel to represent the Organization in such proceedings.

ARTICLE V - OFFICERS

1. NUMBER AND TITLE. The officers of the Organization shall be the president, vice president, secretary, and treasurer.

2. ELECTION, TERM, VACANCIES. The president, vice president, secretary, and treasurer shall be elected by the Board of Directors for a term of one year, or until their successors are elected, and shall not consecutively serve for more than one term in any one office. Partial terms are not counted as one term of office. Officers shall be elected at the Annual Meeting to take office on the first day of January following the Annual Meeting at which elections are held. The Executive Committee may fill a vacancy among the officers other than the president to serve until the next scheduled election. In the case of a permanent vacancy in the office of the president, the vice-president will succeed until the next scheduled election. The terms of the Vice-President and Secretary elected in 2003 shall be deemed full terms. The terms of the President and Treasurer elected in 2003 shall be deemed partial terms.

3. GEOGRAPHIC BALANCE. Two of the officers shall be Directors from states predominantly west of the Mississippi River. Two of the officers shall be Directors from states predominantly east of the Mississippi River.

4. DUTIES. The duties of the officers shall be as follows:

- (a) The PRESIDENT shall be the principal officer of the Organization and shall preside at the Annual Meeting and all meetings of the Board of Directors and the Executive Committee, shall be responsible for seeing that the lines of direction given by the Board of Directors and the Executive Committee are carried into effect, and shall have such other powers and perform such other duties as may be assigned by the Board of Directors.
- (b) In the temporary absence or disability of the president, the VICE-PRESIDENT shall preside at meetings of the Board of Directors and the Executive Committee. The Vice President shall also serve as the lead state representative on the MISO Advisory Committee. He or she shall have such other powers and perform such other duties as may be assigned by the Board of Directors.
- (c) The SECRETARY shall be responsible for keeping a roll of the Members and seeing that notices of all meetings of the Board of Directors and the Executive Committee are issued and shall see that minutes of such meetings are kept. The secretary shall be responsible for the custody of corporate books, records and files, shall exercise the powers and perform such other duties usually incident to the office of secretary, and shall exercise such other powers and perform such other duties as may be assigned by the president or Board of Directors. The secretary shall also serve as a member of the MISO Advisory Committee.
- (d) The TREASURER shall be responsible for monitoring the receipt and custody of all monies of the Organization and for monitoring the disbursement thereof as authorized, for assuring that accurate accounts of monies received and disbursed are kept, for execution of contracts or other instruments authorized by the Board of Directors, and for overseeing the preparation and issuance of financial statements and reports. The Executive Director shall assist the treasurer in the performance of his/her duties. The treasurer shall give a report of the organization's finances at the Annual Meeting. The treasurer shall be an ex officio member of the finance committee, if such a committee shall be established by the Board of Directors, shall exercise the powers and perform such other duties usually incident to the office of treasurer, and shall perform such other duties as may be assigned by the president or Board of Directors.

5. REMOVAL. An officer of the Organization may be removed with or without cause by written vote of two-thirds of the total membership of the Board of Directors.

ARTICLE VI - COMMITTEES

- 1. ESTABLISHED. The Board of Directors may establish committees and work-groups as it deems necessary and provide for their governance.
- 2. COMPOSITION AND APPOINTMENT. The president shall appoint members of the committees, with Executive Committee approval. Unless otherwise provided by the Board of Directors, a committee may elect its chair. Members and Associate Members may participate in work of committees and work-groups that relate to matters within their jurisdiction.

ARTICLE VII – EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE. The Executive Committee shall consist of no more than 5 members of the Board of Directors, among whom shall be the officers of the Organization and any other Member selected to serve on the MISO Advisory Committee. The Executive Director is an ex officio non-voting member of the Executive Committee. The Executive Committee shall be elected by the Board of Directors at each Annual Meeting. The Executive Committee shall have, and may exercise, the powers of the Board of Directors in the interim between Board of Directors meetings, except that the Executive Committee shall not have the power to adopt the budget, or to take any action which is contrary to, or substantial departure from the direction established by the Board of Directors, or which represents a major change in the affairs, business or policy of the Organization. The Executive Committee shall meet as needed in person or by telephone or electronic means. Such meetings shall be called by the president as chair of the Executive

Committee. Notice, quorum and filling of vacancies shall be consistent with, and adhere to, Articles IV, V, VIII, XI, and XII of these bylaws.

ARTICLE VIII –NOMINATING COMMITTEE

1. COMPOSITION. The nominating committee shall consist of three members of the Board of Directors.
2. METHOD OF ELECTION, TERM, VACANCIES. Members of the nominating committee shall be elected by the Board of Directors for a term of one year, or until their successors are elected. Terms of office shall begin at the close of the Annual Meeting at which elections are held, and shall expire at the close of following Annual Meeting. The Executive Committee shall have the power to fill vacancies in the nominating committee.
3. RESPONSIBILITIES. At the Annual Meeting, the nominating committee shall present to the Board of Directors a single slate of nominations for elected officers of the Organization, subject to the provisions of Article V.3 and Article V.4.b and c, and following rotation guidelines adopted by the Board of Directors. Any Director may make additional nominations.

ARTICLE IX – STATES NOT BOUND

No vote of, or resolution passed by, the Board of Directors has any binding effect upon any state or provincial regulatory authority, or any individual member thereof, in the exercise of the authority's powers.

ARTICLE X - FISCAL RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. FISCAL YEAR. The Board of Directors shall establish the fiscal year of the Organization.
2. FUNDING. Any funds shall be accepted or collected only as authorized by the Board of Directors.
3. DEPOSITORIES. All funds of the Organization shall be deposited to the credit of the Organization in fully insured accounts.
4. APPROVED SIGNATURES. Approvals for signatures necessary on contracts, checks, and orders for the payment, receipt, or deposit of money, and access to securities of the Organization shall be provided by resolution of the Executive Committee.
5. BONDING. All persons having access to or major responsibility for the handling of monies and securities of the Organization shall be bonded as provided by resolution of the Board of Directors.
6. INDEMNIFICATION AND INSURANCE. Indemnification and Directors and Officers insurance shall be provided by resolution of the Board of Directors in accordance with the Articles of Incorporation and Indiana law.
7. BUDGET. The annual budget of estimated income and expenditures shall be approved by the Board of Directors. No expenses shall be incurred in excess of approved budget levels without prior approval of the Executive Committee with notice to the Board of Directors.
8. CONTRACTS AND DEBTS. Contracts may be entered into or debts incurred only as directed by resolution of the Executive Committee after general authorization from the Board of Directors.
9. AUDITS. A certified public accountant or other independent public accountant shall be retained by the Executive Committee to make an annual examination of the financial accounts of the organization. A report of this examination shall be submitted to the Board of Directors.
10. LEGAL COUNSEL. Independent legal counsel should be retained by the Organization to: (a) insure compliance with federal and state requirements, (b) review and advise on any and all legal instruments the Executive Committee executes, such as leases, contracts, property purchases, or sale. Legal Counsel may

also be retained for administrative matters determined necessary by the Executive Committee. The Executive Committee may retain legal counsel for interventions before federal regulatory agencies and related judicial proceedings pursuant to authorization of the Board of Directors.

11. **PROPERTY.** Title to all property shall be held in the name of the Organization, unless otherwise approved by the Board of Directors.

12. **INVESTMENT.** The treasurer shall invest the funds of the Organization in accordance with the direction of the Board of Directors or any Committee of the board appointed for such purpose.

ARTICLE XI - PARLIAMENTARY AUTHORITY

All meetings shall be conducted in a manner that will allow fullest possible participation by the members. In the event of a dispute, Robert's Rule of Order, newly revised, shall be the parliamentary authority governing the meetings of the Board of Directors, the Executive Committee, and all committees, subject to the laws of Indiana, the Articles of Incorporation, these bylaws, and any special rules of order adopted by the Organization.

ARTICLE XII - OPEN MEETINGS

The Annual Meeting and all meetings of the Board of Directors, the Executive Committee, and subordinate committees shall be open meetings, except that discussion of commercially sensitive, legal, and personnel issues may be conducted in closed session. For the purposes of these bylaws, open meeting means:

- (a) Notice of the time, place, and purpose of the meeting, as provided in Article III, shall be made available to public, through printed or electronic means.
- (b) Minutes of the Board of Directors and the Executive Committee meetings shall be made available to the public, through printed or electronic means, within two weeks of the date of the meeting.
- (c) The public may attend all open meetings of the Organization.
- (d) The Board of Directors may provide for participation by telephone or electronic means.

ARTICLE XIII- AMENDMENTS

These bylaws may be amended by a two-thirds vote of a quorum at the Annual Meeting and any meeting of the Board of Directors, provided that the proposed amendment must have been included in the notice of the meeting.

ARTICLE XIV- EXECUTIVE DIRECTOR

1. **EMPLOYMENT.** The Executive Committee shall select an Executive Director, subject to ratification by the Board of Directors at its next regular or special meeting. The Board of Directors shall determine the terms and conditions of the employment of the Executive Director. The Executive Director's employment may be terminated by a majority of all serving Directors.

2. **RESPONSIBILITIES.** The Executive Director shall be the chief executive of the organization under the supervision and day-to-day policy guidance of the Executive Committee. The Executive Director shall be responsible for providing advice and assistance to the Board of Directors, the Executive Committee, the president and other officers, and the committees; and shall be responsible for administering the operations of the Organization. The Executive Director shall have such other powers and perform such other duties as may be provided by the Board of Directors and the Executive Committee. The Executive Director is an ex officio non-voting member of the Executive Committee.